

Registered number: 03139409

**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### COMPANY INFORMATION

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**Directors**

J White (Chairman)  
C Povey (Deputy Chairman)  
M Darbon (Chief Executive Officer)  
K Barwell OBE (Non-Executive)  
N Beal (Non-Executive)  
E Bevan (Non-Executive)  
J Chapman (Finance Director)  
J Drown (Non-Executive)  
A Hewitt (Non-Executive)  
M Smith (Non-Executive)

**Company secretary**

J Chapman

**Registered number**

03139409

**Registered office**

Franklin's Gardens  
Weedon Road  
NORTHAMPTON  
NN5 5BG

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
MK9 1AU

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## **NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2018

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#### Introduction

The principal activity of the company in the period under review was the playing and development of rugby, along with the operation of the stadium as a conference and events venue.

#### Business review

Both on and off the pitch this was a year of evolution at Northampton Saints.

The Club endured a frustrating season in the Premiership with a series of defeats during the winter months resulting in a ninth-place finish and missing out on qualification for the European Champions Cup. That run of form led to the very difficult decision in December to part ways with director of rugby Jim Mallinder, who steered the Club to vast success over the course of his ten-year tenure. But our technical coaching consultant Alan Gaffney steadied the ship alongside interim head coach Alan Dickens, and since the turn of the year the Club has appointed a new director of rugby and restructured the coaching team. Chris Boyd will lead an ambitious and talented group of English coaches in Sam Vesty, Phil Dowson Matt Ferguson and Alan Dickens next season – we are thrilled with the set-up and confident these are the coaches to lead the Club back up the Premiership table.

Off the pitch, we recognised the need to re-focus our Commercial operations on revenue growth, to return the Club to a sustainable financial footing in the future. We concluded the recruitment of a new executive team as well as a number of other new faces in key roles throughout the organisation.

The process of restructuring – which is now complete – has not been without its challenges and came at a cost. However, with this now behind us, we believe the Club is in a much stronger position to meet the demands of the future, whether that be on-pitch performance or financial sustainability. We have a renewed sense of purpose, optimism and determination as we enter the new season.

From a financial perspective, 2018 was a challenging year; we reported a loss before tax of £2.71m (2017 loss before tax of £1.15m). In 2017 we realised £1.49m profit from the sale of an intangible asset which was not repeated in 2018. In both years we incurred exceptional costs associated with the restructuring of the business – £0.53m in 2018 and £0.65m in 2017. After adjusting for these items, our underlying loss before tax was worse by £0.18m against last year. Whilst turnover increased by 2.3%, operating costs increased by 3.1%. The main driver of this was player salary costs; in order to remain competitive, we kept pace with the increase in the maximum expenditure allowed under the salary framework, which increased to £6.4m in 2018 from £6.0m in 2017.

We have maintained a strong balance sheet with £12.51m of net assets at 31st May 2018. However, we moved from a prior-year positive cash position of £2.21m to an overdraft of £0.70m at the year end. Our overdraft facility has been renewed, and since the year end our major shareholders have extended a loan of £1.95m to Northampton Rugby Football Club Ltd, on top of the £1m invested in new shares in 2017. This is a strong indication of the shareholders' continued support for the Club and confidence in the new management team's plans for the future.

In spite of the financial challenges, there have been some notable commercial successes in the year. We have renewed sponsorship deals with GRS, Spirit Hyundai, Church's Shoes and Kubota, re-christened the 'Carlsberg Stand', and entered into new partnerships with Redrow Homes, Opro, Mirus IT, Slurp and Tomkins, Knight & Sons. On 1st June we also successfully staged our first major concert at Franklin's Gardens, featuring Lionel Richie, and are already in discussions about more large-scale events in the future.

We have continued to work on improving the experience of our supporters, sponsors and customers – whether that be through more timely and open communications, improvements to the bar infrastructure, revamped menus for box-holders, or new ways of driving value for our commercial partners. We will continuously strive to deliver a better experience for all our stakeholders throughout the coming year.

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

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#### Business review (continued)

The Club continues to deliver exceptional community outreach throughout the Northamptonshire region and surrounding counties. Over 1,500 young players participated in our rugby camps throughout the year, a new record for the Club, while our Wheelchair Rugby team and junior 7s tournaments also hit new heights. We have also seen a substantial rise in the number of girls attending our community camps, introduced for the first time a girls-only residential rugby camp at Stowe, and our coaches have delivered significantly more sessions to age-group girls' rugby teams all over the region. Moreover, the creation of the Northampton Saints Foundation will create an infrastructure of people and resources that allows the Club to educate, inspire and support young people in our community like never before.

Despite not achieving what we wanted to on the pitch, our match attendances, ticket sales and season ticket renewals have remained strong, with our marketing and communications activity driving an increase in engagement across all of the Club's communication channels. Season tickets are selling well for the 2018/19 season with around 8,000 sold already.

#### Governance

The club is run on a day-to-day basis by the Executive team in accordance with delegated authority limits defined by the board of directors. The board of directors meets formally at least 10 times a year.

The Remuneration Committee, chaired by Colin Povey, oversees matters relating to staff remuneration and meets at least twice per year. The Audit Committee, chaired by Matt Smith, oversees matters relating to financial reporting, accounting and internal controls and meets at least once per year.

A Nomination Committee meets as required to oversee the appointment of senior executives. The composition of the committee may vary depending on the role.

#### Principal risks and uncertainties

The principal risks and uncertainties facing the business relate to the following:

- The health and wellbeing of the players - this is managed by the Club employing the best coaches, medical and conditioning staff possible to maintain players in peak physical condition, and adhering strictly to injury protocols.
- The need to attract and retain key coaching and playing staff.
- The requirement for Premier Rugby, the RFU and other clubs to play their part in maintaining compelling rugby competitions to ensure rugby is a successful and flourishing sport.
- Ensuring Franklin's Gardens remains a safe matchday environment.
- The maintenance of the salary framework at a level which enables a well-run rugby club business to spend the amount required to stay competitive without undermining its financial viability.
- The ability for Premiership Rugby and the RFU to maintain and grow revenue distributions to the Premiership clubs.
- Ensuring the Company is able to secure adequate resources to underpin its long-term financial viability.
- The ability of the Group to return to a sustainable, profitable financial footing.

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2018**

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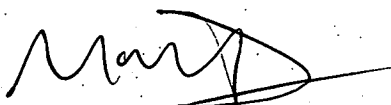
**Financial key performance indicators**

The company measures its financial performance using the following measures:

- Growth in turnover to £17.13m; total income was 2.3% up on last year.
- maintaining a profitable business. The company reported a loss before tax of £2.71m (2017: loss of £1.15m)
- Maintaining a strong balance sheet; the group had net assets of £12.5m at 31 May 2018 (2017 - £15.2m).
- Number of Season Ticket Holders and gate receipts. Total season ticket and gates revenue was down by 2% on last year.
- The ability to spend as much as allowed on player expenditure within the Premiership Rugby salary framework. Total expenditure on players has increased year on year in line with the increase in the salary framework.

This report was approved by the board on 14 August 2018 and signed on its behalf:

**Mark Darbon**  
Chief Executive Officer



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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2018

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#### Directors' report

The directors present their report and the financial statements for the year ended 31 May 2018.

#### Results and dividends

The loss for the year, after taxation, amounted to £2,738,604 (2017: loss £905,274).

The directors do not recommend the payment of a dividend.

#### Directors

The directors who served during the year were:

J White (Chairman)  
C Povey (Deputy Chairman)  
M Darbon (Chief Executive Officer) (appointed 1 August 2017)  
K Barwell OBE (Non-Executive)  
N Beal (Non-Executive)  
E Bevan (Non-Executive)  
J Chapman (Finance Director)  
S Cunningham (Non-Executive) (resigned 18 June 2018)  
J Drown (Non-Executive)  
B Facer (Commercial Director) (resigned 7 September 2017)  
A Hewitt (Non-Executive)  
M Smith (Non-Executive)

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2018**

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**Financial risk management**

The company has exposures to two main areas of risk - liquidity risk and customer credit exposure. To a lesser extent the company is exposed to interest rate risk.

**Liquidity risk**

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available. Given the maturity of the loan in note 21, the company is in position to meet its commitments and obligations as they come due.

**Customer credit exposure**

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

**Interest rate risk**

The company borrows from its lenders using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

**Employee involvement**

The Directors recognise the benefits which arise from keeping employees informed of the company's progress and plans and through their participation in the company's performance. The company is therefore committed to providing its employees with information on a regular basis, to consulting with them on a regular basis so that their views and/or concerns may be taken into account in taking decisions which may affect their interests, and to encouraging their participation in schemes through which they will benefit from the company's progress and profitability. The company aims to foster a working environment in which all employees are treated with courtesy and respect and seeks at all times to provide opportunities to develop and reach their full potential.

**Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

**Qualifying third party indemnity provisions**

During the period and up to the date of this report, the company maintained liability insurance and third-party indemnification provisions for its directors, under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with the execution of their powers, duties and responsibilities as directors of the company.

**Post balance sheet events**

On 2 July 2018 the Company approved a loan note instrument constituting up to £3,000,000 2% fixed rate unsecured loan notes repayable 30 September 2022. The Company issued £1,950,000 of the 2% fixed rate unsecured loan notes on 2 July 2018 to the Company's major shareholders.



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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2018**

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**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 August 2018 and signed on its behalf.



**J Chapman (Finance Director)**  
Director



**Grant Thornton**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**Opinion**

We have audited the financial statements of Northampton Rugby Football Club Limited (the 'company') for the year ended 31 May 2018, which comprise the Profit and Loss Account, the Balance Sheet, the Statements of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Who we are reporting to**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED (CONTINUED)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Grant Thornton

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB  
LIMITED (CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

*Grant Thornton UK LLP*

Fiona Baldwin ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

14 August 2018

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2018**

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	Note	2018 £	2017 £
Turnover	4	17,126,878	16,740,929
Cost of sales		(11,206,722)	(11,399,988)
<b>Gross profit</b>		<b>5,920,156</b>	<b>5,340,941</b>
Administrative expenses		(7,902,930)	(7,126,826)
Exceptional administrative expenses	12	(530,859)	(647,711)
<b>Operating loss</b>	5	<b>(2,513,633)</b>	<b>(2,433,596)</b>
Profit on disposal of intangible assets		-	1,489,867
<b>Loss on ordinary activities before interest</b>		<b>(2,513,633)</b>	<b>(943,729)</b>
Interest receivable and similar income	9	-	31
Interest payable and expenses	10	(198,687)	(211,208)
<b>Loss before tax</b>		<b>(2,712,320)</b>	<b>(1,154,906)</b>
Tax on loss	11	(26,284)	249,632
<b>Loss for the financial year</b>		<b>(2,738,604)</b>	<b>(905,274)</b>

All profits are attributable to the owners of the parent undertaking.

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

There was no other comprehensive income for 2018 (2017: £Nil).

The notes on pages 13 to 34 form part of these financial statements.

**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**  
**REGISTERED NUMBER: 03139409**

**BALANCE SHEET**  
**AS AT 31 MAY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	13	20,214	126,427
Tangible assets	14	17,255,841	17,686,865
Investments	15	6,483,182	6,483,182
		<u>23,759,237</u>	<u>24,296,474</u>
<b>Current assets</b>			
Stocks	16	187,038	160,316
Debtors: amounts falling due within one year	17	2,470,316	2,530,813
Cash at bank and in hand	18	4,520	2,205,820
		<u>2,661,874</u>	<u>4,896,949</u>
Creditors: amounts falling due within one year	19	(7,270,976)	(7,057,769)
<b>Net current liabilities</b>		<u>(4,609,102)</u>	<u>(2,160,820)</u>
<b>Total assets less current liabilities</b>		<u>19,150,135</u>	<u>22,135,654</u>
Creditors: amounts falling due after more than one year	20	(4,967,199)	(5,241,869)
<b>Provisions for liabilities</b>			
Deferred tax	23	(1,674,813)	(1,647,058)
		<u>(1,674,813)</u>	<u>(1,647,058)</u>
<b>Net assets</b>		<u>12,508,123</u>	<u>15,246,727</u>
<b>Capital and reserves</b>			
Called up share capital	24	9,127,072	9,127,072
Profit and loss account	25	3,381,051	6,119,655
		<u>12,508,123</u>	<u>15,246,727</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 August 2018:



**J Chapman (Finance Director)**  
Director

The notes on pages 13 to 34 form part of these financial statements.

**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2017	9,127,072	6,119,655	15,246,727
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,738,604)	(2,738,604)
<b>Total comprehensive income for the year</b>	-	(2,738,604)	(2,738,604)
<b>At 31 May 2018</b>	<b>9,127,072</b>	<b>3,381,051</b>	<b>12,508,123</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2016	9,127,072	7,024,929	16,152,001
<b>Comprehensive income for the year</b>			
Loss for the year	-	(905,274)	(905,274)
<b>Total comprehensive income for the year</b>	-	(905,274)	(905,274)
<b>At 31 May 2017</b>	<b>9,127,072</b>	<b>6,119,655</b>	<b>15,246,727</b>

The notes on pages 13 to 34 form part of these financial statements.

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 1. General information

Northampton Rugby Football Club Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at Franklin's Gardens, Weedon Road, Northampton, Northamptonshire, NN5 5BG. The principal activity of the Northampton Rugby Football Club is the playing and development of rugby, along with the operation of the stadium as a conference and events venue.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£). The functional currency is Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Northampton Saints PLC as at 31 May 2018 and these financial statements may be obtained from Companies House.

##### 2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.



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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The following criteria must be met before turnover is recognised:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company activities

Revenue received from specific events, including match day tickets, bar sales, conference and courses is recognised when the relevant match or event takes place.

Revenue from seasonal sales, including season tickets, executive boxes and VIP packages, is recognised over the season to which it relates.

For income streams that relate to more than one season, such as sponsorship, advertising and branding, revenue is attributed to each season according to the terms of the contract.

Central income is recognised in the season to which it relates unless contingent upon specific criteria or a future event, in which case it is recognised when the criteria are achieved or the event takes place.

##### **Deferred income**

Deferred income other than grants represents amounts received in relation to sponsorship, season tickets and hospitality. Deferred income is released to the Profit and Loss Account in the season to which the income relates and typically is over a period of between 1 and 4 years.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018

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2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

**Software**

Software is amortised on a straight-line basis over a 3 year useful economic life.

**Transfer fees paid for player registrations**

The costs of acquired player registrations are capitalised as intangible assets and amortised over the period of the players' contracts, with appropriate adjustments for any impairments assessed to have taken place.

Gains and losses on disposal of player registrations are determined by comparing the fair value of the consideration receivable, net of any transaction costs, with the carrying amount and are recognised separately in the Profit and Loss Account within profit of disposal of players' registrations. Where a part of the consideration receivable is contingent on specified conditions, this amount is recognised in the Profit and Loss Account on the date the conditions are met.

**Purchased goodwill**

Purchased goodwill represents the surplus arising on the acquisition of the net assets of Saints Rugby Limited.

The company adopted a policy of amortising the cost over its estimated useful life of 20 years. No reduction in useful life under FRS 102 has been implemented as the remaining useful life of the goodwill is within the 10 year requirement.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Profit and Loss Account during the period in which they are incurred.

Finance costs are capitalised to the extent that they relate to long term construction in progress.

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold Property	- Over the remaining term of the lease
Ground improvements	- 20% on reducing balance
Property improvements	- 10% straight line
Motor vehicles	- 33.33% on reducing balance
Furniture, fixtures and fittings	- 20% on reducing balance
Office equipment	- 20% - 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

##### 2.7 Operating leases: lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the period of the lease.

##### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments other than loans are measured at fair value at each balance sheet date using a valuation technique with any gains or losses being reported in the Profit and Loss Account.

##### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase in a First in, First out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account.

##### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

##### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018

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2. Accounting policies (continued)

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 2. Accounting policies (continued)

##### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.14 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.15 Finance leases: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Profit and Loss Account over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to Profit and Loss Account over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

##### 2.16 Pensions

###### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 2.17 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 2. Accounting policies (continued)

##### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

##### 2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or nature.

Termination benefits are expensed at the point when the Company can no longer withdraw the offer of those benefits.

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include revenue recognition, valuation of investments, the recoverability of stock and deferred tax.

**Judgements in applying accounting policies**

The directors must judge whether all of the conditions required for revenues to be recognised in the Profit and Loss Account for the financial year have been met.

**Key sources of estimation**

There are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing material adjustment to the carrying value of assets and liabilities within the next reporting period, these include

- (i) P Share investment carrying value – note 15
- (ii) Recoverability of stock – note 16
- (iii) Recognition of deferred tax - note 11

**4. Turnover**

	2018 £	2017 £
Rugby income	4,039,845	4,112,293
Premier Rugby and RFU income	5,865,941	5,060,983
Commercial income	7,221,092	7,567,653
	<u>17,126,878</u>	<u>16,740,929</u>

All turnover arose within the United Kingdom.

**5. Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	734,694	755,383
Amortisation of intangible assets, including goodwill	95,906	85,409
Other operating lease rentals	<u>42,600</u>	<u>34,361</u>

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**6. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>29,064</u>	<u>28,147</u>
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Other services relating to taxation	<u>3,560</u>	<u>3,480</u>

**7. Employees**

Staff costs, including executive directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	10,266,223	9,483,257
Social security costs	1,206,025	1,077,471
Cost of defined contribution scheme	113,004	136,045
	<u>11,585,252</u>	<u>10,696,773</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Sports and rugby players	89	92
Administration, commercial and match day only staff	189	180
	<u>278</u>	<u>272</u>



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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**8. Directors' remuneration**

	2018 £	2017 £
Directors' emoluments	400,953	451,699
Company contributions to defined contribution pension schemes	16,118	39,339
Compensation for loss of office	-	280,636
	<u>417,071</u>	<u>771,674</u>

During the year retirement benefits were accruing to 3 directors (2017: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £242,188 (2017: £486,018).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,061 (2017: £26,014).

None of the non-executive directors received any remuneration in 2018 (2017: £Nil).

**9. Interest receivable**

	2018 £	2017 £
Other interest receivable	-	31
	<u>-</u>	<u>31</u>

**10. Interest payable and similar charges**

	2018 £	2017 £
Other loan interest payable	187,054	195,948
Finance leases and hire purchase contracts	11,633	15,260
	<u>198,687</u>	<u>211,208</u>

**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

**11. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(1,471)	(4,750)
<b>Total current tax</b>	<u>(1,471)</u>	<u>(4,750)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	27,755	(143,672)
Changes to tax rates	-	(105,337)
Adjustments in respect of prior periods	-	4,127
<b>Total deferred tax</b>	<u>27,755</u>	<u>(244,882)</u>
<b>Taxation on (loss) on ordinary activities</b>	<u>26,284</u>	<u>(249,632)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017: *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19.83%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(2,712,320)</u>	<u>(1,154,906)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.83%)	(515,341)	(229,051)
<b>Effects of:</b>		
Permanent differences	58,818	61,437
Short term timing difference leading to a decrease in taxation	48,055	(81,395)
Deferred tax not recognised	436,223	-
Adjustments to tax charge in respect of previous periods	(1,471)	(4,750)
Adjustments to tax charge in respect of previous periods - deferred tax	-	4,127
<b>Total tax charge/ (credit) for the year</b>	<u>26,284</u>	<u>(249,632)</u>

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NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018

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**11. Taxation (continued)**

**Factors that may affect future tax charges**

The tax losses carried forward total £3.6m (2017: £1.0m).

There is an unrecognised deferred tax asset of £436,223 (2017: £Nil).

The amount of the net increase of deferred tax liability expected to occur next year is £53,522 relating to fixed asset timing differences.

During the prior year, the main rate of UK corporation tax has reduced from 20% to 19% with effect from 1 April 2017, and the rate will reduce further to 17% from 1 April 2020. These changes have been substantively enacted at the Balance Sheet date. Temporary differences have been measured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

**12. Exceptional items**

	2018 £	2017 £
Restructuring costs	<u>(530,859)</u>	<u>(647,711)</u>

The restructuring costs in the current year relate to the reorganisation of management and staff.

The restructuring costs in the prior year relate to a change of catering partner and restructure of the board.

**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

**13. Intangible assets**

	Software £	Player registrations £	Goodwill £	Total £
<b>Cost</b>				
At 1 June 2017	47,569	192,467	121,257	361,293
Additions	2,000	-	-	2,000
Disposals	(22,550)	(30,010)	-	(52,560)
At 31 May 2018	27,019	162,457	121,257	310,733
<b>Amortisation</b>				
At 1 June 2017	21,548	92,061	121,257	234,866
Charge for the year	7,653	88,253	-	95,906
On disposals	(10,243)	(30,010)	-	(40,253)
At 31 May 2018	18,958	150,304	121,257	290,519
<b>Net book value</b>				
At 31 May 2018	8,061	12,153	-	20,214
At 31 May 2017	26,021	100,406	-	126,427

Amortisation of intangible fixed assets is included in administrative expenses.

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**14. Tangible fixed assets**

	Freehold property, new buildings and ground improvement £	Furniture, fixtures and fittings, motor vehicles and office equipment £	Total £
<b>Cost</b>			
At 1 June 2017	20,457,338	3,349,679	23,807,017
Additions	93,820	225,016	318,836
Disposals	-	(38,458)	(38,458)
At 31 May 2018	<u>20,551,158</u>	<u>3,536,237</u>	<u>24,087,395</u>
<b>Depreciation</b>			
At 1 June 2017	3,866,394	2,253,758	6,120,152
Charge for the year	445,860	288,834	734,694
Disposals	-	(23,292)	(23,292)
At 31 May 2018	<u>4,312,254</u>	<u>2,519,300</u>	<u>6,831,554</u>
<b>Net book value</b>			
At 31 May 2018	<u>16,238,904</u>	<u>1,016,937</u>	<u>17,255,841</u>
At 31 May 2017	<u>16,590,944</u>	<u>1,095,921</u>	<u>17,686,865</u>

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**14. Tangible fixed assets (continued)**

Included within freehold property, new buildings and ground improvements is:

- land at cost of £1,417,857 (2017: £1,417,857) which is not depreciated.
- capitalised finance costs of £374,333 (2017: £382,132), which relates to the construction of the assets which were completed in 2016.

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	<u>16,238,904</u>	<u>16,590,944</u>

The net book value of assets held under finance leases, included above, are as follows:

	2018 £	2017 £
Fixtures and fittings	<u>194,420</u>	<u>214,488</u>

Depreciation charged on assets held on finance leases in the year totalled £42,898 (2017: £53,622).

# NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

### 15. Fixed asset investments

	Investments in PRL £	Investment in subsidiary undertakings £	Total £
<b>Cost or valuation</b>			
At 1 June 2017	6,483,082	100	6,483,182
At 31 May 2018	6,483,082	100	6,483,182
<b>Net book value</b>			
At 31 May 2018	6,483,082	100	6,483,182
At 31 May 2017	6,483,082	100	6,483,182

In accordance with other clubs in the sector, Northampton Rugby Football Club Limited has valued its investment in Premier Rugby Limited ("PRL") 'P Ordinary Shares', which provide an income stream for all clubs. The value in use calculation assumes a discount rate of 6% and a life cycle of eight years and was agreed by the PRL Board as a consistent method to be used by all shareholder clubs. The directors have valued the investment in the current year based on the value in use calculation approved by the PRL Board. This has resulted in a valuation of £6,483,082 (2017: £6,483,082).

The company is exempt from preparing consolidated financial statements on the grounds that it is an intermediate holding company in a medium sized group. The financial statements therefore present information about the company as an individual undertaking and not about its group.

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Saints Rugby Limited	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 May 2018 for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Saints Rugby Limited	100

No profit or loss was generated by the subsidiary in the year due to the company being dormant.

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**16. Stocks**

	2018 £	2017 £
Shop stock	187,038	160,316

Stock recognised in cost of sales during the year as an expense was £600,917 (2017: £728,403).

An impairment loss of £105,465 (2017: £159,430) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**17. Debtors**

	2018 £	2017 £
Trade debtors	524,944	727,326
Other debtors	760,007	826,776
Prepayments and accrued income	1,185,365	976,711
	2,470,316	2,530,813

An impairment loss of £30,114 (2017: £18,996) was recognised against trade debtors.

**18. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	4,520	2,205,820
Less: bank overdrafts	(708,009)	-
	(703,489)	2,205,820



# NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

### 19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	708,009	-
NBC Loan	220,000	220,000
Trade creditors	449,617	636,503
Amounts owed to group undertakings	1,000,000	1,000,000
Corporation tax	-	1,471
Social security and other taxation	688,499	1,345,989
Obligations under finance lease	62,763	51,694
Other creditors	20,604	33,779
Accruals and deferred income	4,121,484	3,768,333
	<u>7,270,976</u>	<u>7,057,769</u>

Interest on bank overdraft is charged at 1.7% (2017: 1.7%) over the Bank of England rate.

The interest on the loan is charged at 3.97%. The loan is repayable over the period until 2039.

#### Secured loans

The loan is secured by a fixed charge over the Freehold Property of Franklin's Gardens, Weedon Road, land North of Edge Mobbs Way and land South-West of St James Road, Northampton.

### 20. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
NBC loan	4,400,000	4,620,000
Net obligations under finance leases	105,014	146,103
Accruals and deferred income	462,185	475,766
	<u>4,967,199</u>	<u>5,241,869</u>

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**21. Loans**

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
NBC loan	220,000	220,000
<b>Amounts falling due 1-2 years</b>		
NBC loan	220,000	220,000
<b>Amounts falling due 2-5 years</b>		
NBC loan	660,000	660,000
<b>Amounts falling due after more than 5 years</b>		
NBC loan	3,520,000	3,740,000

**22. Finance leases**

Minimum lease payments under finance lease fall due as follows:

	2018 £	2017 £
Within one year	62,763	51,694
Between 1-2 years	67,094	55,550
Between 2-5 years	37,919	90,553
	167,776	197,797

# NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

### 23. Deferred taxation

	2018 £
At beginning of year	(1,647,058)
Charged to profit or loss	(27,755)
<b>At end of year</b>	<b>(1,674,813)</b>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(619,189)	(590,932)
Tax losses carried forward	176,254	176,254
Short term timing differences	2,017	1,515
Capital gains	(1,233,895)	(1,233,895)
	<b>(1,674,813)</b>	<b>(1,647,058)</b>

### 24. Share capital

	2018 £	2017 £
<b>Authorised, allotted, called up and fully paid:</b>		
9,127,072 Ordinary shares of £1 each	<b>9,127,072</b>	<b>9,127,072</b>

### 25. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

### 26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £113,004 (2017: £136,045). Contributions totalling £Nil (2017: £8,912) were payable to the fund at the balance sheet date and are included in other creditors.

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**NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**27. Commitments under operating leases**

At 31 May 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
<b>Land and buildings</b>		
Not later than 1 year	<u>47,760</u>	<u>47,040</u>
	2018 £	2017 £
<b>Other operating leases</b>		
Not later than 1 year	35,032	37,337
Later than 1 year and not later than 5 years	75,725	106,697
	<u>110,757</u>	<u>144,034</u>

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## NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 28. Related party transactions

The company is a wholly owned subsidiary undertaking of Northampton Saints PLC. Accordingly, the company has taken advantage of the exemption in FRS 102 Section 33 from disclosing transactions with other wholly owned members of the group headed by Northampton Saints PLC.

Northampton Rugby Football Club Limited made an interest free loan of £5,000 to Northampton Saints Foundation on 10 November 2017 for the purpose of providing start-up capital to the charity. The loan is due for repayment at a date to be mutually agreed between the parties within one year.

	2018 Value in the year £	2017 Value in the year £
N Beal (David Williams Independent Financial Advisors)		
- Sales made by the company	21,071	13,098
N Beal (David Williams Independent Financial Advisors)		
- Amounts owed to company	-	216
J White		
- Sales made by the company	7,101	6,752
J White		
- Amounts owed to company	162	2,770
J Drown (Porterhouse Developments)		
- Purchases made by the company	-	94,988
A Hewitt		
- Sales made by the company	1,100	-

Sales and purchases between the Group and the directors or companies associated with the directors were at arm's length. Sales were principally tickets, hospitality and advertising, and purchases were repairs and maintenance services.

#### 29. Post balance sheet events

On 2 July 2018 the Company approved a loan note instrument constituting up to £3,000,000 2% fixed rate unsecured loan notes repayable 30 September 2022. The Company issued £1,950,000 of the 2% fixed rate unsecured loan notes on 2 July 2018 to the Company's major shareholders.

#### 30. Controlling party

The directors consider that the ultimate parent undertaking and controlling party of this company is Northampton Saints PLC.

The largest group of undertakings for which group accounts have been drawn up is that headed by Northampton Saints PLC. There is no overall controlling party.